

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2000-0157-C - ORDER NO. 2000-734
SEPTEMBER 7, 2000

IN RE: Petition of Alliance Group Services, Inc. and)
U.S. Republic Communications, Inc.)
Regarding the Acquisition of Certain Assets)
of U.S. Republic Communications, Inc. by)
Alliance Group Services, Inc.)

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This matter comes before the Public Service Commission of South Carolina (the "Commission") on the joint petition of Alliance Group Services, Inc. ("Alliance") and U.S. Republic Communications, Inc. ("USRC") for approval of Alliance's acquisition of certain assets of USRC. Upon completion of this transaction, Alliance will own and operate the long distance subscriber base of USRC.

Pursuant to the instructions of the Executive Director, the Companies published a Notice of Filing one time in newspapers of general circulation in the areas affected. The Companies filed affidavits of publication. The Notice of Filing informed the public on how it could participate in proceedings concerning this matter before the Commission. No Protests or Petitions to Intervene were received. Accordingly, the two Applicants have moved for expedited review of this matter, and have furnished the verified testimony of Mark Thomas, President of Alliance in support of the joint Application.

S.C. Code Ann. §58-9-310 (Supp. 1999) requires notice and "due hearing" before the Commission may approve the transfer of the assets of telephone companies from one carrier to

another. When there have been no Protests or Petitions to Intervene, we have often granted Motions For Expedited Review, when they are accompanied by verified testimony. We then declare the Commission meeting where the matter was considered to be the “due hearing” required by the statute.

We elect to follow this procedure in the present case, and grant the Motion for Expedited Review. We also hold that the Commission meeting of August 22, 2000, wherein the matter was considered by the Commission, to be the “due hearing” required by the statute. We have examined the verified written testimony of Mark Thomas, President, and find that it supports the reasoning and ultimate request found in the original joint application.

Alliance and USRC have received authorization from this Commission to provide interexchange services in South Carolina. Alliance was granted authority to provide long distance services in South Carolina in Order Number 1999-362 (Docket No. 98-620-C, May 20, 1999). USRC was granted authority to provide interexchange services in South Carolina in Order Number 1997-598 (Docket No. 1997-058-C, July 10, 1997).

According to Mr. Thomas, in the Asset Purchase Agreement executed between Alliance and USRC on December 24, 1999, USRC has agreed to sell to Alliance, and Alliance has agreed to purchase: 1) the right to provision all of USRC’s existing customers with telecommunications and ancillary services; 2) the right to receive payments from customers for services rendered; 3) the utilization of USRC’s name by Alliance; and 4) all of USRC’s accounts receivables. Furthermore, USRC intends to relinquish its Certificate of Public Convenience and Necessity in South Carolina and requests the cancellation of USRC’s intrastate telecommunications tariff currently on file with the Commission.

Mr. Thomas also described the means by which Alliance will notify USRC customers of the transaction between Alliance and USRC. According to Mr. Thomas' testimony, it is the intent of USRC and Alliance that the transaction be transparent to the acquired customer base. First, according to the testimony, Alliance will provide the applicable USRC customers with written notification of its acquisition of the certain USRC assets, and provide these customers with the opportunity to cancel their service at no charge if they choose not to obtain long distance service from Alliance. Secondly, the testimony reveals, each customer will continue to be billed in accordance with the rates and services received from USRC before the transaction, and each customer will continue to receive invoices each month in the name of USRC. Finally, Mr. Brown's testimony states that because both Alliance and USRC are resellers of the long distance services of AT&T, the underlying long distance service provider for USRC's customers will not change upon the assumption of USRC's customer base by Alliance. According to Mr. Thomas' testimony, Alliance possesses the financial resources and managerial expertise to assume control of USRC's customer base.

Finally, the testimony addresses the benefits of the Alliance/USRC transaction. First, Mr. Thomas states the agreement will allow Alliance to attain greater economic prosperity and to compete more effectively in the telecommunications industry which may thereby result in lower prices for all consumers and enable the introduction and availability of more products and services. Additionally, it is Mr. Thomas' position that former USRC customers will be given the opportunity to have access to an expanding, active company's services which will enable these subscribers to continue to receive high-quality telecommunications services at affordable rates without interruption.

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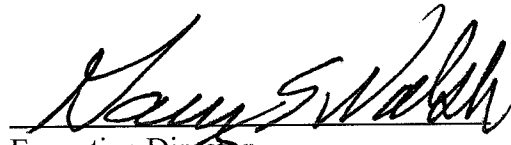
Accordingly, we have examined the testimony and the record of this case, and hereby approve the proposed transaction, for the reasons stated above. We believe that no customer will be adversely affected by the transaction, and the transaction is in the public interest. USRC's Certificate of Public Convenience and Necessity shall be cancelled.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)